(b) if so, the action taken in detail;

(c) the estimated total amount of money through hawala transactions in Kerala for the last three years, year-wise;

(d) the detials of action taken in illegal transfer for money amounting to Rs. 708 crores through regular banking channels during period 2000-02; and

(e) the details of source and beneficiaries of above fund?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Reserve Bank of India (RBI) has reported that forty branches of twelve banks were involved in the hawala transactions in Kerala. The total number of accounts involved were 84. Scrutiny conducted by RBI in these cases did not reveal any fraud or scam by the banks. However, RBI has observed that banks had not followed the norms prescribed by RBI for opening of accounts and recording/reporting of large value cash transactions. The banks have not incurred any losses in these transactions. As per RBI guidelines, any large and suspicious cash transaction has to be reported to the Controlling Offices by the branches of the banks and these were not followed. RBI has advised banks to scrupulously follow the extant instructions while opening deposit accounts as well as handling large value cash transactions. RBI has also advised the banks to take appropriate action including criminal proceedings against their erring officials/constituents.

Fake Stamp Scam

1920. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether the Fake Stamp Scam was handed over to CBI for investigation some times back;

(b) if so, the details thereof and present position of investigation;

(c) whether any person has been arrested, so far, and if so, details thereof;

(d) the amount of fake stamp papers seized, so far, together with the details thereof; and

(e) the steps taken/proposed to be taken to prevent recurrence of such irregularities in future?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S S. PALANIMANICKAM): (a) Yes, Sir.

(b) On 15/03/2004, the Hon'ble Supreme Court of India handed over the investigations of 48 cases relating to Fake Stamps to CBI. 15 other cases were taken over/registered by CBI in the matter during 2002-04 taking the total to 63.

(c) Yes, Sir. So far, 560 accused have been arrested in these 63 cases.

(d) The total value of the Fake Stamps/Stamp papers so far seized comes to Rs. 33,960,257,180/-approximately (The details are annexed in the statement (see below)

(e) The following measures and steps have been taken by the Government to check the recurrence of such type of scams:-

* The security at India Security Press, Nashik was replaced by CISF in October 2002, in the outer periphery, in the first phase. The second phase of induction of CISF has been completed.

* Income Tax authorities have already attached 46 properties under the Income Tax Act and further action is being taken by them.

* Based on the recommendations of two Working Groups. Committee were constituted in the Ministry of Finance; additioal security features have been approved for incorporation in the Non Judicial Stamp Papers (NJSP) and Adhesive Stamps. The new security features, which are being introduced in a phased manner, will make counterfeiting difficult.

* Two meetings of State Revenue Secretaries were held in the Ministry of Finance to discuss the proposal for initiating modern methods of revenue collection and other related issues.

* IFCI is assisting the Government of India to put in place a pilot Project for de-matting of Stamp Paper. The system will be in operation in 10-12 cities initially; and

* The Stamp Act has been amended to facilitate modern methods

of revenue collection. All the States/Union Territories have been requested to send to the Government of India a time-bound programme to introduce fool-proof modern methods of revenue collection.

Statement

Details of total value of fake stamps/stamp papers so far seized

S. No. State	Value of fake stamps seized
1. Maharashtra	29,643,475,692
2. Karnataka	1,796,525,901
3. Andhra Pradesh	88,355,728
4. Uttar Pradesh	229,300
5. Tamil Nadu	461,940
6. Madhya Pradesh	460,369
7. Gujarat	88,052,572
8. West Bengal	1,478,000
9. Kerala	2,500,000
10. Delhi	2,336,868,678
11. Bihar	1,849,000

Central Sales Tax on pharmaceutical raw material

1921. PROF. ALKA BALRAM KSHATRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Central sales tax on pharmaceutical raw material and medicines in Gujarat is 2.2 per cent *vis-a-vis* in other States of the country; and

(b) if so, what are the reasons for this disparity and the steps taken by Government to immediately stop this imbalance in the rate of Central